

Decision 06-09-005 September 7, 2006

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric Company  
for Authority to Increase Revenue Requirements  
to Recover the Costs to Deploy an Advanced  
Metering Infrastructure.

(U 39 E)

Application 05-06-028  
(Filed June 16, 2005)

**ORDER MODIFYING DECISION 06-07-027**

**I. Summary**

This order modifies Decision (D.) 06-07-027 upon the Commission's own motion to restore a portion of the decision deleted from the Administrative Law Judge's (ALJ) proposed decision. This language describes possible customer load management applications that might be offered in the future on a competitive basis by nonutility providers in conjunction with Pacific Gas and Electric Company's (PG&E) Advance Metering Infrastructure (AMI) network architecture.

**II. Discussion**

On July 20, 2006, the Commission issued D.06-07-027. This decision authorized PG&E to deploy an AMI network. The ALJ's proposed decision in this matter contained the following discussion as the first sentence of the second paragraph under the hearing "7.2 Open Architecture:"

"We need not disclose the confidential terms but we are satisfied that the contracts between PG&E and the vendors contain adequate provision for technology licensing at fair

prices that will promote the development of new products and services, *including the possibility of customer-owned equipment that can serve as an internet gateway, or other such products and services that may be offered in the future, compatible with PG&E's AMI network architecture.*" (Emphasis added.)

The final decision issued in this matter, D.06-07-027, deleted the language italicized above (italicized language) in response to comments.<sup>1</sup> Upon further reflection, we believe it appropriate to include the italicized language in order to set forth some of the possibilities of products and services that may be offered in the future on a competitive basis by nonutility providers. We therefore modify D.06-07-027 on our own motion to include the italicized language in Section 7.2.

### **III. Comments on Draft Decision**

The draft decision of President Peevey in this matter was mailed to the parties in accordance with Pub. Util. Code § 311(g)(1) and Rule 77.7 of the Rules of Practice and Procedure. No comments were filed.

### **IV. Assignment of Proceeding**

Michael R. Peevey is the Assigned Commissioner and Douglas M. Long is the assigned ALJ in this proceeding.

### **Findings of Fact**

1. The ALJ's proposed decision in this matter contained a discussion in the first sentence of the second paragraph under the heading "7.2 Open Architecture" containing the italicized language set forth in the body of this decision.

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<sup>1</sup> Division of Ratepayer Advocates, comments p. 5, and PG&E's reply comments, p. 3.

2. The italicized language was deleted from D.06-07-027 in response to comments.

3. We believe it appropriate to include the italicized language in D.06-07-027 in order to set forth some of the possibilities of products and services that may be offered in the future on a competitive basis by nonutility providers.

### **Conclusions of Law**

1. D.06-07-027 should be modified to include the italicized language in the first sentence of the second paragraph of Section 7.2 in order to set forth some of the possibilities of products and services that may be offered in the future on a competitive basis by nonutility providers.

2. The first sentence of the second paragraph under the heading "7.2 Open Architecture" in D.06-07-027 should be modified as set forth in the ordering paragraphs.

## **O R D E R**

### **IT IS ORDERED** that:

1. Decision 06-07-027 is modified as set forth below.
2. The first sentence of the second paragraph under the heading "7.2 Open Architecture" is modified to read as follows:

"We need not disclose the confidential terms but we are satisfied that the contracts between PG&E and the vendors contain adequate provision for technology licensing at fair prices that will promote the development of new products and services, including the possibility of customer-owned equipment that can serve as an internet gateway, or other such products and services that may be offered in the future, compatible with PG&E's AMI network architecture."

3. Application 05-06-028 is closed.

This order is effective today.

Dated September 7, 2006, at San Francisco, California.

MICHAEL R. PEEVEY  
President  
GEOFFREY F. BROWN  
DIAN M. GRUENEICH  
JOHN A. BOHN  
RACHELLE B. CHONG  
Commissioners